GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:565
ANSWERED ON:16.08.2007
INTERNATIONAL PRICES OF CRUDE OIL
Ponnuswamy Shri Mohan

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a Global phenomenon that oil prices proportionately pushed up whenever crude oil prices in the international market registers an upward trend;

(b) if so, the names of those countries where the increase is allowed in the domestic market whenever the international market registers an upward trend;

(c) if not, the names of such countries in which International increase of crude oil price has no bearing in the retail selling price of the petrol/ diesel/ LPG/ Kerosene;

(d) the reason for the abnormal increase in the selling price of petrol and diesel in the domestic market;

(e) whether Government has a plan to announce a further price hike as reported in the leading dailies; and

(f) if so, the probable hike and the reason therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a)to(d): It is generally true that prices of petroleum products increase alongwith crude oil prices. However, the magnitude of the increase may not match exactly. The monthly price trend for the benchmark crude oils and major petroleum products in the international market during January'07-July'07 is given in Annexure-1. Generally, oil import dependent countries do pass on the impact of increase in international prices to domestic retail price.

(e)&(f): Government has been taking all possible measures to ensure that there is no hardship to common man on account of price rise. Government adopted the principle of equitable burden sharing amongst three stakeholders, namely, the consumers, the PSU oil companies and the Government to protect the interest of the common man and the vulnerable sections of society. The Government is closely monitoring the international oil prices and will continue to protect the interests of consumers.